

HOUSE JOINT MEMORIAL 1

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2009

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE OBAMA ADMINISTRATION, THE GOVERNOR AND THE
PUBLIC EDUCATION DEPARTMENT TO IMPROVE TIMELINESS OF
EDUCATIONAL REIMBURSEMENT TO SCHOOL ENTITIES.

WHEREAS, the public education department processes over
two hundred seventy million dollars (\$270,000,000) annually in
reimbursements to local school districts and other related
entities; and

WHEREAS, reimbursement timeliness will be especially
important in fiscal year 2010 because New Mexico will receive
an estimated three hundred sixty-nine million dollars
(\$369,000,000) from the federal American Recovery and
Reinvestment Act of 2009 that will flow through the public
education department reimbursement process; and

WHEREAS, the public education department estimates that it

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1 will receive two hundred five million dollars (\$205,000,000) in
2 stimulus funds that flow through existing distribution
3 mechanisms and one hundred sixty-four million dollars
4 (\$164,000,000) in fiscal stabilization funds from the American
5 Recovery and Reinvestment Act of 2009; and

6 WHEREAS, the total average processing time in fiscal year
7 2009 to complete state reimbursements was forty-four working
8 days, and federal reimbursements required thirty-three working
9 days to complete; and

10 WHEREAS, delayed reimbursements continue to impact cash
11 management operations for school entities; and

12 WHEREAS, school entities must maintain enough cash on hand
13 to fulfill operational expenses while waiting for
14 reimbursements; and

15 WHEREAS, infrequent or untimely reimbursement requests
16 compound cash-flow issues; and

17 WHEREAS, federal and state oversight requirements provide
18 a natural incentive for the public education department to
19 conduct a thorough review of operational practices, but do not
20 have similar incentives to conduct a timely review; and

21 WHEREAS, the excessive money that school entities are
22 required to carry in their accounts while waiting for
23 reimbursements can be put to better use;

24 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
25 STATE OF NEW MEXICO that it request the Obama administration,

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1 the governor and the public education department to improve the
2 timeliness of educational reimbursements to school entities;
3 and

4 BE IT FURTHER RESOLVED that copies of this memorial be
5 transmitted to the president of the United States, the governor
6 and the secretary of public education.

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